

<p>1 Q Let me go in the opposite direction.</p> <p>2 You left -- you were terminated from Chef Garcia</p> <p>3 in January of 1998; is that correct?</p> <p>4 A That's correct.</p> <p>5 Q And from there did you -- where did you</p> <p>6 next go to work after that?</p> <p>7 A I didn't work for six months. I was in</p> <p>8 shock. So I didn't do anything for six months.</p> <p>9 After six months I wake up and I have bills to</p> <p>10 pay, so I had to find work. But it was very</p> <p>11 difficult for me because, you know, after being</p> <p>12 with Chef Garcia for 16 years and had only one</p> <p>13 job prior to that, it was difficult for me to</p> <p>14 find a direction.</p> <p>15 Q So what did you do once you got over</p> <p>16 the shock?</p> <p>17 A I went to -- I was called to do a</p> <p>18 consulting job in North Carolina for a</p> <p>19 manufacturer.</p> <p>20 Q What was the name of that manufacturer?</p> <p>21 A Casa Christina.</p> <p>22 Q Who is the name of the individual you</p>	<p>1 A Los Amigos.</p> <p>2 Q The same type of consulting that you</p> <p>3 had done --</p> <p>4 A That's correct.</p> <p>5 Q How long did you do that for?</p> <p>6 A Almost two years.</p> <p>7 Q Now, did you have any ownership stakes</p> <p>8 in either Casa Christina or Los Amigos?</p> <p>9 A No.</p> <p>10 Q From Los Amigos where did you go?</p> <p>11 A I came back to the Virginia area where</p> <p>12 I live now.</p> <p>13 Q Is that when you picked up at the</p> <p>14 Marriott?</p> <p>15 A No. I worked for Denny's -- CNS</p> <p>16 Company and they had some Denny's restaurants. I</p> <p>17 was the general manager there in one of them.</p> <p>18 Q What brought about the end of your</p> <p>19 consulting at Los Amigos?</p> <p>20 A What?</p> <p>21 Q Why did you stop working for them or</p> <p>22 with them?</p>
<p>1 worked with at Casa Christina?</p> <p>2 A His name is Chester Brunty.</p> <p>3 Q How long did you serve as a consultant</p> <p>4 to Casa Christina?</p> <p>5 A About a year and a half.</p> <p>6 Q What did you do for them as a</p> <p>7 consultant?</p> <p>8 A I trained the management and lead</p> <p>9 persons, rearrange the organization for the</p> <p>10 manufacturing and the distribution center,</p> <p>11 sanitation.</p> <p>12 Q You did that for about a year and a</p> <p>13 half?</p> <p>14 A That's correct.</p> <p>15 Q How did that employment come to an</p> <p>16 end?</p> <p>17 A They got another partner in and the</p> <p>18 partner brought in his son-in-law.</p> <p>19 Q What was your next job after that?</p> <p>20 A I went to do a consulting job in</p> <p>21 Georgia for another manufacturer.</p> <p>22 Q Who was that?</p>	<p>1 A I finished what I was doing and, you</p> <p>2 know, that was not a long term employment. That</p> <p>3 was -- you know, the contract was up.</p> <p>4 Q I thought you said you were with Chef</p> <p>5 Garcia for 16 years.</p> <p>6 A That's correct.</p> <p>7 Q I assume you are including the</p> <p>8 predecessor companies to Chef Garcia. Is that --</p> <p>9 let me back up. When did you start with Chef</p> <p>10 Garcia, Inc.?</p> <p>11 A In 1984.</p> <p>12 Q And in 1984 who owned Chef Garcia,</p> <p>13 Inc.?</p> <p>14 A I did.</p> <p>15 Q At what point in time did you change</p> <p>16 the ownership of Chef Garcia, Inc.?</p> <p>17 A I didn't change the ownership.</p> <p>18 Q Did there ever come a time where the</p> <p>19 ownership in Chef Garcia, Inc. changed?</p> <p>20 A I guess when we got the investors in</p> <p>21 1994.</p> <p>22 Q Did you have involvement in a company</p>

<p>13</p> <p>1 known as JEJ?</p> <p>2 A JEJ was a parent company of Chef</p> <p>3 Garcia.</p> <p>4 Q And JEJ existed in 1984?</p> <p>5 A That's correct.</p> <p>6 Q How about McWax & Company?</p> <p>7 A McWax & Company, I acquired that in</p> <p>8 1990, I believe.</p> <p>9 Q What type of operation was McWax &</p> <p>10 Company?</p> <p>11 A That was a USDA operation.</p> <p>12 Q Forgive my ignorance in the food</p> <p>13 business. What is a USDA operation?</p> <p>14 A USDA is where you process meats and you</p> <p>15 have a federal inspector at the premises.</p> <p>16 Q So the meat goes through the</p> <p>17 slaughterhouse and then comes to a USDA kitchen</p> <p>18 for further processing?</p> <p>19 A For further processing, that is</p> <p>20 correct.</p> <p>21 Q And then what business was JEJ in?</p> <p>22 A JEJ was the parent company of both</p>	<p>15</p> <p>1 A That was --</p> <p>2 (Interruption by the reporter.)</p> <p>3 A These were the only investors,</p> <p>4 Rothstein and Kirstien.</p> <p>5 Q Are you familiar with an entity known</p> <p>6 as O'Stein Brothers Limited Partnership No. 4?</p> <p>7 A I think I have seen one. I am not</p> <p>8 familiar with it.</p> <p>9 Q Do you know if O'Stein Brothers Limited</p> <p>10 Partnership No. 4 owned stock in Chef Garcia,</p> <p>11 Inc.?</p> <p>12 A I have no idea.</p> <p>13 Q Do you know if Mr. Rothstein or Mr.</p> <p>14 Kirstien individually owned any stock in Chef</p> <p>15 Garcia, Inc.?</p> <p>16 A I don't know their dealings.</p> <p>17 Q After 1994 did you own stock in Chef</p> <p>18 Garcia, Inc.?</p> <p>19 A Yes, I did.</p> <p>20 Q Do you know what percentage of the</p> <p>21 stock you owned?</p> <p>22 A Fifty percent.</p>
<p>14</p> <p>1 companies, McWax and Chef Garcia.</p> <p>2 Q Do you know what state Chef Garcia was</p> <p>3 incorporated in?</p> <p>4 A It was just in the state of Virginia.</p> <p>5 Q Was JEJ solely a parent company or did</p> <p>6 it actually produce and manufacture items as</p> <p>7 well?</p> <p>8 A Can you repeat your question, please?</p> <p>9 Q I will do the best I can. Did JEJ --</p> <p>10 which entity did you use to actually produce the</p> <p>11 products that you sold?</p> <p>12 A Chef Garcia and Tortilla Maya.</p> <p>13 Q What is Tortilla Maya?</p> <p>14 A It was basically the one that started</p> <p>15 --</p> <p>16 (Interruption by the reporter.)</p> <p>17 A That was the first branded name that</p> <p>18 JEJ started with.</p> <p>19 Q So JEJ branded the name Tortilla Maya?</p> <p>20 A That's correct.</p> <p>21 Q When was the first time you had outside</p> <p>22 investors in any of your companies?</p>	<p>16</p> <p>1 Q Did Mrs. Garcia own stock in Chef</p> <p>2 Garcia, if you know?</p> <p>3 A We both own 50 percent.</p> <p>4 Q The 50 percent was yours together?</p> <p>5 A Right.</p> <p>6 Q Do you know in 1994 after the</p> <p>7 investment who owned the other 50 percent?</p> <p>8 A It was Rothstein and Kirstien. But</p> <p>9 what do they own separately, I don't know.</p> <p>10 Q You don't know if it was individually</p> <p>11 or through some other --</p> <p>12 A Right.</p> <p>13 Q -- vehicle? Prior to the new investors</p> <p>14 coming in, I want to talk to you some about the</p> <p>15 financial status of your company in 1994. Okay?</p> <p>16 A Okay.</p> <p>17 Q How was business in the early 1990s?</p> <p>18 A It was really good.</p> <p>19 Q Were you making a profit?</p> <p>20 A Yes.</p> <p>21 Q Did you have any problems with checks</p> <p>22 bouncing in 1994 prior to the investment?</p>

<p>25</p> <p>1 recall.</p> <p>2 Q How about Geest Foods USA, G E E S T,</p> <p>3 Foods USA?</p> <p>4 A Again, there were -- I talked to</p> <p>5 several brokers, you know, that they were trying</p> <p>6 to acquire our company.</p> <p>7 (Defendants' Deposition Exhibit Number</p> <p>8 1 was marked for identification and was attached</p> <p>9 to the transcript.)</p> <p>10 Q Mr. Garcia, in front of you is what I</p> <p>11 marked as Exhibit Number 1, which is a letter of</p> <p>12 February 9, 1993 and a financial statement for</p> <p>13 JEJ Food Company, Inc. for the year ending</p> <p>14 December 31, 1992. Take as much time as you</p> <p>15 would like to look through that. Sir, it is my</p> <p>16 understanding that that document shows a net loss</p> <p>17 of \$190,566 for the year?</p> <p>18 A That's correct.</p> <p>19 (Defendants' Deposition Exhibit Number</p> <p>20 2 was marked for identification and was attached</p> <p>21 to the transcript.)</p> <p>22 Q In front of you is Exhibit Number 2,</p>	<p>27</p> <p>1 Q So he filed suit because he hadn't been</p> <p>2 paid?</p> <p>3 A No. Because Randy Habeck incurred more</p> <p>4 expenses because he called him to use him and</p> <p>5 then after he rendered service, you know, the</p> <p>6 investors said Randy Habeck told him that he</p> <p>7 wasn't going to get paid. And I guess that was</p> <p>8 one of the causes for him to sue the company.</p> <p>9 Q Because he hadn't been paid?</p> <p>10 A Because he hadn't been paid, right.</p> <p>11 Q Included on page 9 of Exhibit Number 2</p> <p>12 are two 12 percent notes. Down at the bottom on</p> <p>13 page 9. To whom is that first note payable?</p> <p>14 A That is to Salvador Zuniga.</p> <p>15 Q Who is that?</p> <p>16 A He is my father-in-law.</p> <p>17 Q What was the amount of that note?</p> <p>18 A \$57,000.</p> <p>19 Q When did you obtain the money from</p> <p>20 him?</p> <p>21 A I don't recall the exact date or year.</p> <p>22 It might have been '92, '91. I don't recall the</p>
<p>26</p> <p>1 which is the financial statement for the year</p> <p>2 ended 1993. And this was prepared by Behrens &</p> <p>3 Associates; is that correct?</p> <p>4 A 1993?</p> <p>5 Q Yes, sir.</p> <p>6 A That is correct.</p> <p>7 Q Was Behrens & Associates the certified</p> <p>8 public accountants you were using at the time?</p> <p>9 A At that particular time, yes.</p> <p>10 Q Were you ultimately involved in a</p> <p>11 lawsuit with Behrens & Associates?</p> <p>12 A Did I?</p> <p>13 Q Yes. Or was the company?</p> <p>14 A It was the company, correct.</p> <p>15 Q What was the nature of that lawsuit?</p> <p>16 A Randy Habeck promised him -- brought</p> <p>17 him, you know, for service and promised him that</p> <p>18 he was going to get paid because he was owed some</p> <p>19 money. He was owed some money also. He had some</p> <p>20 money on the payables.</p> <p>21 Q Who was owed money?</p> <p>22 A Behrens & Associates.</p>	<p>28</p> <p>1 year.</p> <p>2 Q How about the 12 percent note payable</p> <p>3 to the Garcia farm. What is the Garcia farm?</p> <p>4 A That is the farm owned by us in</p> <p>5 Shenandoah.</p> <p>6 Q Owned by you and Mrs. Garcia?</p> <p>7 A Mrs. Garcia.</p> <p>8 Q So that \$190,000 was lent to the</p> <p>9 company by whom?</p> <p>10 A By us, by Garcia's farm.</p> <p>11 Q Is Garcia's farm a separate</p> <p>12 corporation?</p> <p>13 A It's not a corporation. It's owned by</p> <p>14 us.</p> <p>15 Q What is it? Is it a partnership? Is</p> <p>16 it -- do you know? Does it have some separate</p> <p>17 legal status?</p> <p>18 A Yes, it does.</p> <p>19 Q Do you know what that status is?</p> <p>20 A As far as? Can you explain the</p> <p>21 question in a better manner?</p> <p>22 Q I can try. Who owns Garcia farm?</p>

<p>33</p> <p>1 And our contract had not been signed yet. You</p> <p>2 know, it was left on the desk of the purchaser,</p> <p>3 the buyer. So, therefore, they did not honor the</p> <p>4 contract. And that attributed to more than a</p> <p>5 half a million dollar loss in product, inventory,</p> <p>6 and equipment that was invested in.</p> <p>7 Q When was that, 199 --</p> <p>8 A 1992.</p> <p>9 Q Did those losses continue in '93 and</p> <p>10 '94?</p> <p>11 A Of course. Our company being small and</p> <p>12 in need of cash, you know, it was not easy to</p> <p>13 recoup. That was one of the reasons to look for</p> <p>14 investors.</p> <p>15 (Defendants' Deposition Exhibit Number</p> <p>16 5 was marked for identification and was attached</p> <p>17 to the transcript.)</p> <p>18 Q I will show you Defendants' Number 5.</p> <p>19 My understanding is there was a lawsuit brought</p> <p>20 by Waycaster Trading Company against JEJ Food</p> <p>21 Company?</p> <p>22 A That's correct.</p>	<p>35</p> <p>1 Q Waycaster Trading lost?</p> <p>2 A Yes. Because they were alleging that I</p> <p>3 didn't pay them and everything was proved that</p> <p>4 they were paid up to the last penny.</p> <p>5 (Defendants' Deposition Exhibit Number</p> <p>6 6 was marked for identification and was attached</p> <p>7 to the transcript.)</p> <p>8 Q Exhibit Number 6, this is the lawsuit</p> <p>9 by Behrens & Associates against JEJ Food</p> <p>10 Company? Did you bring this lawsuit to the</p> <p>11 attention of the board of directors of Chef</p> <p>12 Garcia, Inc.?</p> <p>13 A Yes. I don't -- I believe that he sued</p> <p>14 the company after we had closed --</p> <p>15 Q After you had closed the deal with</p> <p>16 O'Stein Brothers?</p> <p>17 A Right.</p> <p>18 Q And you brought this lawsuit to their</p> <p>19 attention?</p> <p>20 A Yes, I did. They knew all about it.</p> <p>21 Q Because you told them about it?</p> <p>22 A No, because they sent -- he sent -- in</p>
<p>34</p> <p>1 Q Were you aware of this lawsuit in</p> <p>2 1994?</p> <p>3 A Yes. When they brought it, yes.</p> <p>4 Q Did you disclose this lawsuit to</p> <p>5 defendants Habeck, Kirstien and/or Rothstein at</p> <p>6 any point?</p> <p>7 A Yes. Everything was disclosed. There</p> <p>8 was nothing hidden.</p> <p>9 Q What relationship had you had with</p> <p>10 Waycaster Trading Company?</p> <p>11 A What they did, there was two</p> <p>12 individuals that looked for sales for us, you</p> <p>13 know, and they were getting like one percent or</p> <p>14 two percent of the sales, you know, whatever they</p> <p>15 -- for products that they sold, you know, to</p> <p>16 different companies, but they only had one with</p> <p>17 Giant.</p> <p>18 Q Do you know what the result of that</p> <p>19 lawsuit was?</p> <p>20 A They lost.</p> <p>21 Q They being the plaintiffs?</p> <p>22 A Pardon.</p>	<p>36</p> <p>1 fact, Norman was the registered agent at that</p> <p>2 time.</p> <p>3 Q David Norman was the registered agent</p> <p>4 for JEJ Food Company?</p> <p>5 A That's correct.</p> <p>6 (Defendants' Deposition Exhibit Number</p> <p>7 7 was marked for identification and was attached</p> <p>8 to the transcript.)</p> <p>9 Q I will show you Exhibit Number 7, a</p> <p>10 suit brought by Optimum Choice versus JEJ Food</p> <p>11 Company. Do you know if this lawsuit was</p> <p>12 disclosed to the board of directors of Chef</p> <p>13 Garcia, Inc.?</p> <p>14 A That was in 1995?</p> <p>15 Q Yes, sir.</p> <p>16 A Again, the registered agent was</p> <p>17 Norman. And I am trying to recall who was</p> <p>18 Optimum Choice.</p> <p>19 Q I believe a health insurer. Do you see</p> <p>20 on there, sir, that it says serve on resident</p> <p>21 agent, and it has your name?</p> <p>22 A Yes.</p>

<p>45</p> <p>1 you seen this document at any other point?</p> <p>2 A I may have.</p> <p>3 Q Do you have any other written</p> <p>4 agreements between yourself and O'Stein Brothers</p> <p>5 Limited Partnership No. 4?</p> <p>6 A I believe there is other agreement.</p> <p>7 Q What is the other agreement?</p> <p>8 A That is the -- either that -- I mean</p> <p>9 this may be the only one. I don't know. I got</p> <p>10 to read it and see what it says because there was</p> <p>11 a job agreement and there was also a stock</p> <p>12 purchase agreement.</p> <p>13 Q An employment agreement?</p> <p>14 A An employment agreement, right.</p> <p>15 Q Was that between you and O'Stein</p> <p>16 Brothers or between you and Chef Garcia?</p> <p>17 A Between us and Chef Garcia.</p> <p>18 Q Well, you said you wanted a chance to</p> <p>19 read that. Please feel free. I do want to ask</p> <p>20 you some questions about it, so if you would like</p> <p>21 to look through it --</p> <p>22 A Go ahead.</p>	<p>47</p> <p>1 clear that Rothstein and Kirstien were coming as</p> <p>2 investors. And if I recall, also that Randy</p> <p>3 Habeck represented himself as a CF -- FCO of the</p> <p>4 company.</p> <p>5 Q Mr. Habeck represented himself as a CFO</p> <p>6 of the company?</p> <p>7 A CFO of the company, right.</p> <p>8 Q In front of these representatives of</p> <p>9 Riggs Bank?</p> <p>10 A That is correct.</p> <p>11 Q Did you correct him?</p> <p>12 A Yes, I did.</p> <p>13 Q At that meeting?</p> <p>14 A They asked me, they said is that</p> <p>15 right. I say I am not aware of, I say, you know,</p> <p>16 if O'Stein made any changes. You know, I am not</p> <p>17 -- he says, well, you know, I am helping you, I</p> <p>18 am directing the company. And I said, well.</p> <p>19 Q Who was present at that meeting?</p> <p>20 A That was Norman and Rothstein.</p> <p>21 Q Anybody else?</p> <p>22 A I am trying to remember if Kirstien was</p>
<p>46</p> <p>1 Q You have had a chance to review the</p> <p>2 document?</p> <p>3 A A little bit.</p> <p>4 Q There are references in here to a</p> <p>5 forbearance agreement with Riggs Bank. Was there</p> <p>6 a concern that Riggs Bank was going to issue a</p> <p>7 default on the loan?</p> <p>8 A I am trying to recall. I don't</p> <p>9 remember them saying they will recall the loan or</p> <p>10 anything back then.</p> <p>11 Q You do not recall that?</p> <p>12 A No.</p> <p>13 Q Do you recall hearing any discussion of</p> <p>14 a possible default?</p> <p>15 A There is a possibility.</p> <p>16 Q Did you attend a meeting with</p> <p>17 Mr. Norman, Mr. Habeck, Mr. Rothstein, and</p> <p>18 representatives of Riggs Bank?</p> <p>19 A Yes, I did.</p> <p>20 Q Do you recall what the meeting was</p> <p>21 about?</p> <p>22 A They were trying to, I guess, make</p>	<p>48</p> <p>1 there as well. I believe, yeah, that they both</p> <p>2 were there.</p> <p>3 Q Was Mr. Habeck there?</p> <p>4 A Yes. Of course. He is the one that</p> <p>5 said that he was the CFO of the company.</p> <p>6 Q Do you recall who was there from Riggs</p> <p>7 Bank?</p> <p>8 A I don't recall his name.</p> <p>9 Q Do you know a Richard Amador?</p> <p>10 A Amador. No. He was not a</p> <p>11 representative of the company.</p> <p>12 Q How about Robert Roan, R O A N?</p> <p>13 A It could be. I don't recall because,</p> <p>14 you know, they changed people a couple, three</p> <p>15 times.</p> <p>16 Q How many meetings did you attend with</p> <p>17 Riggs Bank after O'Stein Brothers became</p> <p>18 involved?</p> <p>19 A Just that one.</p> <p>20 Q Just the one meeting?</p> <p>21 A Yeah.</p> <p>22 Q Was there any discussion at that</p>

<p>61</p> <p>1 didn't get paid was because he didn't collect the</p> <p>2 money. So how can I pay something that he didn't</p> <p>3 collect? He needed to collect the money first</p> <p>4 before he got paid.</p> <p>5 Q Is that what that agreement required?</p> <p>6 A As normal in the industry.</p> <p>7 Q Continuing on at page 2 -- actually,</p> <p>8 going to page 3, paragraph B(2), cooperation with</p> <p>9 terms imposed by Riggs National Bank. Was there</p> <p>10 to be a negotiation to obtain a forbearance in</p> <p>11 declaring a default from Riggs Bank?</p> <p>12 A That is a possibility.</p> <p>13 Q Let me ask you this. In this time</p> <p>14 frame when you become involved with O'Stein</p> <p>15 Brothers were there any discussions about placing</p> <p>16 the business in bankruptcy?</p> <p>17 A Yes. In fact, the last meeting that we</p> <p>18 had they tried to intimidate me, and especially</p> <p>19 Randy Habeck when he told me that if I didn't</p> <p>20 sign the agreement to take the company to</p> <p>21 bankruptcy, you know, I was going to lose</p> <p>22 everything and I was going to lose all of my</p>	<p>63</p> <p>1 MR. ALBRIGHT: No. I object. Why</p> <p>2 don't you leave the room here. Off the record.</p> <p>3 (The Garcias leave the room.)</p> <p>4 (Discussion off the record.)</p> <p>5 (Brief recess was taken.)</p> <p>6 (The Garcias return.)</p> <p>7 BY MR. ROSWELL:</p> <p>8 Q Mr. Garcia, I am done with this</p> <p>9 agreement, so we can hand that over there.</p> <p>10 Mr. Garcia, do you personally own any patents or</p> <p>11 trademarks?</p> <p>12 A Do I personally own any trademarks?</p> <p>13 Q Patents, anything like that.</p> <p>14 A I used to. Chef Garcia, Tortilla Maya.</p> <p>15 Q Chef Garcia, Tortilla Maya?</p> <p>16 A Right.</p> <p>17 (Interruption by the reporter.)</p> <p>18 A Umkax, U M K A X.</p> <p>19 Q And were these registered trademarks?</p> <p>20 A They were registered, yes, in</p> <p>21 Virginia.</p> <p>22 Q When did you register them in</p>
<p>62</p> <p>1 assets and live in a mobile home.</p> <p>2 Q What year was that?</p> <p>3 A That was 1997.</p> <p>4 Q How about as far back as 1994?</p> <p>5 A Yes. Prior of 1994?</p> <p>6 Q Yes, sir.</p> <p>7 A No, never did. There was no need.</p> <p>8 Q In the context of these discussions</p> <p>9 with Riggs Bank there was never a discussion of</p> <p>10 bankruptcy?</p> <p>11 A Bankruptcy, no. Not that I recall.</p> <p>12 Q Did the company retain a bankruptcy</p> <p>13 attorney?</p> <p>14 A Did the company retain a bankruptcy</p> <p>15 attorney?</p> <p>16 Q Yes, sir.</p> <p>17 A Not that I am aware of. Unless, you</p> <p>18 know, the O'Stein Brothers did. Because that</p> <p>19 wouldn't surprise me with all of the things they</p> <p>20 did without my consent.</p> <p>21 Q Well, at some point did JEJ or Chef</p> <p>22 Garcia retain Mr. Albright?</p>	<p>64</p> <p>1 Virginia?</p> <p>2 A When I first started the company. The</p> <p>3 first one was Tortilla Maya. The second was Chef</p> <p>4 Garcia, and the third one was Umkax.</p> <p>5 Q And they were registered in Virginia</p> <p>6 and were they registered with you as the owner or</p> <p>7 the company as the owner?</p> <p>8 A The company, JEJ.</p> <p>9 Q So the trademarks belong to JEJ?</p> <p>10 A JEJ.</p> <p>11 (Defendants' Deposition Exhibit Number</p> <p>12 11 was marked for identification and was attached</p> <p>13 to the transcript.)</p> <p>14 Q Mr. Garcia, let me show you what we</p> <p>15 marked as Exhibit Number 11. Have you seen that</p> <p>16 memo before?</p> <p>17 A No.</p> <p>18 Q Do you see your name listed as the</p> <p>19 first person to whom it was purportedly sent?</p> <p>20 A Yeah, but I never got it.</p> <p>21 Q You never got it?</p> <p>22 A (Witness shakes head.)</p>

<p style="text-align: right;">89</p> <p>1 that at any given time, you know, if they or we</p> <p>2 decide to be apart that they will take care of</p> <p>3 all my personal guarantees that I had for the</p> <p>4 company.</p> <p>5 Q Is that a separate agreement?</p> <p>6 A No. It's in the sole agreement of the</p> <p>7 business agreement.</p> <p>8 Q So it's in either the letter agreement</p> <p>9 or the stock purchase agreement?</p> <p>10 A The stock purchase agreement.</p> <p>11 Q That they would take care of all</p> <p>12 personal guarantees?</p> <p>13 A All personal guarantees. That was</p> <p>14 the -- that is on the agreement.</p> <p>15 Q Has anyone or any business tried to</p> <p>16 collect from you on any personal guarantees?</p> <p>17 A Yes.</p> <p>18 Q Who?</p> <p>19 A Green Associates collect about \$40,000</p> <p>20 or more from me for the rent.</p> <p>21 Q When was that?</p> <p>22 A In '98, and I believe we finished the</p>	<p style="text-align: right;">91</p> <p>1 the stock purchase agreement?</p> <p>2 A Right.</p> <p>3 Q Going on to paragraph 21(c), what loan</p> <p>4 agreements were breached?</p> <p>5 A The Riggs National Bank they also</p> <p>6 default or not paying because the amount was,</p> <p>7 according to my recollection, about \$500,000.</p> <p>8 \$250,000 was paid for the liquidation of the</p> <p>9 equipment, and the remainder of \$250,000 was in</p> <p>10 breach of the loan.</p> <p>11 Q Has Riggs Bank pursued you?</p> <p>12 A They send me at the beginning -- after</p> <p>13 I left they sent me letters of trying to collect</p> <p>14 the money. And when I ask them for</p> <p>15 documentation, they deny it. Because I told</p> <p>16 them, I said, you know, I am entitled -- I am not</p> <p>17 getting any financials, I say, and I assume you</p> <p>18 are getting them, so I need to know where you are</p> <p>19 at. So I need you to fax me the financials of</p> <p>20 the company.</p> <p>21 And that was like three or four months</p> <p>22 later. And they refused to give me information</p>
<p style="text-align: right;">90</p> <p>1 transaction in '99 or 2000. And he also collect</p> <p>2 -- he had a judgment against me, so he was</p> <p>3 collecting the rent of my house in Springfield</p> <p>4 when I was in Georgia.</p> <p>5 Q Which lease was that for?</p> <p>6 A McWax Kitchen. The other one -- I just</p> <p>7 found out also that --</p> <p>8 (Interruption by the reporter.)</p> <p>9 A -- Fullerton Associates put a judgment</p> <p>10 against me on my property in Springfield for</p> <p>11 \$400,000.</p> <p>12 Q Which property was that for?</p> <p>13 A That was for the building, the rent in</p> <p>14 Springfield, 7608-F Fullerton Road.</p> <p>15 Q Did you make any demands on defendants</p> <p>16 Rothstein and Kirstien to satisfy these personal</p> <p>17 guarantees?</p> <p>18 A They knew that they are supposed to do</p> <p>19 that according to the agreement. I have not</p> <p>20 talked to them personally or particularly, you</p> <p>21 know, since they fired me.</p> <p>22 Q And, again, this is all controlled in</p>	<p style="text-align: right;">92</p> <p>1 and told me that, you know, I was no longer</p> <p>2 employed by the company, so I had no rights to</p> <p>3 the financials. My answer to them was that I was</p> <p>4 still a board member and I still own 50 percent</p> <p>5 of the company.</p> <p>6 And after that, you know, that denial,</p> <p>7 I believe we had another meeting and they never</p> <p>8 bothered me after that. But still they have a</p> <p>9 judgment against me or hold up in my house in</p> <p>10 Springfield for \$250,000. Actually, there is</p> <p>11 still \$800,000 because it was never --</p> <p>12 (Interruption by the reporter.)</p> <p>13 A -- closed or satisfied.</p> <p>14 Q On page 7, paragraph 23, you accuse my</p> <p>15 clients of misappropriating the inventory and</p> <p>16 assets of plaintiffs. Didn't the inventory and</p> <p>17 assets belong to the companies?</p> <p>18 A What is the number you are reading?</p> <p>19 Q 23.</p> <p>20 MR. KEARNEY: 24.</p> <p>21 Q After stripping plaintiffs of their</p> <p>22 American Food business.</p>

<p style="text-align: right;">97</p> <p>1 know, the board members, the investors, you know, 2 approached me that I inflated the inventory. And 3 I say how do you -- what do you know, how do you 4 know that I inflated. I said do you have a copy 5 of the inventory. I said I just finished the 6 inventory. The accountant himself -- you know, 7 because, like I said before, you know, he was 8 trained by Rothstein, you know, that he will work 9 on it for him and do whatever he wanted him to 10 do. 11 Q Let me just interrupt you. That is 12 Mr. McDonald you are talking about? 13 A Right. He already had sent him a copy 14 of that before I got there, you know, so the 15 numbers wouldn't match. The numbers that I had 16 versus what they had didn't match, and they said 17 that I inflated the inventory. And I say in what 18 regard. So I say -- so Kirstien request that I 19 go back and do -- because I denied the 20 allegations. So Kirstien request that I go back 21 and do inventory immediately again. I say, okay, 22 just to satisfy them. And since he was the</p>	<p style="text-align: right;">99</p> <p>1 A Yes, I did. 2 Q What did he say? 3 A He said that he just put it in there by 4 mistake. I said there is no such thing. How can 5 you put things by mistake? 6 Q \$50,000 is a big mistake. 7 A That is a lot of money. I said what 8 were you trying to do, you know. And he got very 9 nervous and called Harvey Rothstein, you know, 10 and told him that I was accusing him of this and 11 that and I was giving him a lot of pressure. I 12 said I can care less. 13 I say your name is in the computer and 14 it is in the register. It is in the general 15 ledger because the general ledger, who makes the 16 changes. So there was no question about it 17 because, you know, his name is in the general 18 ledger because he is the only one authorized to 19 make changes because he is the only one that had 20 the password. 21 Q Who had authority to change the 22 password on that computer system, do you know?</p>
<p style="text-align: right;">98</p> <p>1 chairman of the board, you know, I got to do what 2 he says. 3 So I went back and did inventory again 4 and the numbers did not change to when I 5 previously done inventory. But then they show me 6 that there was \$50,000 inflated in there, you 7 know, and that is when I found out that Randy 8 McDonald had intentionally gone into the general 9 ledger and put \$50,000 in there, you know, with 10 no proof of any kind. 11 Q You testified that you took the 12 managers with you when you went to do the 13 physical inventory. 14 A That is correct. I always carry the 15 managers when we did inventory. 16 Q Who were those managers? 17 A One of them was Vertano Zarco and the 18 other one was Neftali Rodriguez. They were 19 basically the two managers. 20 Q When you found out that Mr. McDonald 21 inflated the numbers by \$50,000, did you confront 22 him about this?</p>	<p style="text-align: right;">100</p> <p>1 A I have no idea. 2 Q When Chef Garcia went into bankruptcy, 3 that was toward September of 1998; is that 4 correct? Does that sound right? 5 A Yes, probably. 6 Q Were you represented by an attorney 7 during the Chef Garcia bankruptcy? 8 A I was not even -- like I say, you know, 9 I was advised by a letter because I was still a 10 member of the board, and I resigned then before 11 the bankruptcy because I had no information. 12 Q But after they filed did you hire 13 Mr. Albright to represent you personally in the 14 Chef Garcia bankruptcy? 15 A He is - yeah, he has always been my 16 attorney. 17 Q And did you receive notices at home 18 from the bankruptcy court concerning the Chef 19 Garcia bankruptcy? 20 A Yes, we did. 21 MR. ALBRIGHT: I mean there is no 22 question that we participated in the bankruptcy</p>